

Section 1115 Demonstration Termination

**Iowa Marketplace Choice Plan
Project #11-W-00288/5**

**State of Iowa
Department of Human Services**

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Section I – Executive Summary

The Iowa Department of Human Services (DHS) has a history of seeking to improve the State's Medicaid program, as well as beneficiary choice, accountability, quality of care, and health outcomes. On January 1, 2014, the State implemented the Iowa Marketplace Choice (MPC) (Project #11-W-00288/5) §1115 Demonstration Waiver to provide access to healthcare for uninsured, low-income Iowans, while implementing a benefit design intended to address liabilities associated with simply expanding the number of members in traditional Medicaid coverage. The MPC Demonstration originally provided coverage to adults age 19 to 64 with income from 101 through 133% of the federal poverty level (FPL). Members received health care coverage through Qualified Health Plans (QHPs) on the Health Insurance Marketplace. Medicaid paid the members' premiums.

On December 24, 2015, the State received CMS authority to move the Marketplace Choice population to the Iowa Wellness Plan (IWP) (Project #11-W-00289/5) §1115 Demonstration Waiver as there were no longer any QHPs available to serve the population. CMS approved this request, and on January 1, 2106, all MPC enrollees were moved to the IWP to allow coverage for persons with incomes up to 133% of the FPL, through December 31, 2016. Iowa intends to terminate the §1115 MPC Demonstration Waiver, which is set to expire December 31, 2016, as there continue to be no QHPs available to serve the population.

To ensure continued coverage for individuals with incomes from 101 through 133% FPL, concurrent with this notification, Iowa is seeking an extension of the §1115 IWP Demonstration to continue serving Iowans for an additional three years pursuant to §1115(e) of the Social Security Act.

Section II – History

In 2013, the Iowa Legislature passed with bi-partisan support the Iowa Health and Wellness Plan (IHAWP) to provide access to healthcare for uninsured, low-income Iowans, using a benefit design intended to address liabilities associated with simply expanding the number of members in traditional Medicaid coverage. The IHAWP design sought to improve outcomes, increase personal responsibility, and ultimately lower costs. Key goals were to ensure the IHAWP population had access to high-quality local provider networks and modern benefits that worked to improve health outcomes; and to drive healthcare system transformation by encouraging a shift to value based payments that align with important developments in both the private insurance and Medicare markets.

The IHAWP sought to provide a comprehensive, commercial-like benefit plan that ensures provision of the Essential Health Benefits, indexed to the State Employee Plan benefits, with supplemental dental benefits similar to those provided on the Medicaid State Plan. Through a unique incentive program, the IHAWP also sought to promote responsible health care decisions by coupling a monthly required financial contribution with an incentive plan for members to actively seek preventive health services and earn an exemption from the monthly contribution requirement. Original IHAWP options included the following:

1. The Iowa Wellness Plan (IWP), which covered adults ages 19 to 64, with household incomes at or below 100% of Federal Poverty Level (FPL); and
2. The Marketplace Choice Plan (MPC), which covered adults age 19 to 64, with household incomes of 101% through 133% of FPL.

On December 10, 2013, the Centers for Medicaid and Medicare Services (CMS) approved the Iowa Wellness Plan §1115 Demonstration Waiver (Project #11-W-00289/5) and the Marketplace Choice §1115 Demonstration Waiver (Project # 11-W-00288/5), thereby enabling the state to implement the IHAWP on January 1, 2014.

Iowa Medicaid originally administered the IWP through several delivery systems including independent primary care physicians (PCPs), accountable care organizations (ACOs), and managed care plans. Services provided by independent PCPs and ACOs were provided on a fee-for-service basis, while managed care plans were compensated based on capitation.

The MPC Demonstration allowed enrolled members to select from participating commercial health care coverage plans available through the Health Insurance Marketplace. Medicaid paid MPC member premiums and cost sharing to the commercial health plan on behalf of the member, and members had access to the network of local health care providers and hospitals served by the commercial insurance plan. Historically, members could elect to receive coverage through one of two qualified health plans (QHPs); however, there are no longer any QHPs available to serve the population, thereby eliminating coverage options for the MPC Demonstration. These members were subsequently enrolled in the IWP demonstration, pursuant to the December 2015 amendment noted below.

Amendment History

Several amendments to the IHAWP waivers have been approved during the original demonstration period. On May 1, 2014, CMS approved the State's request to amend both the IWP and MPC Demonstrations to provide tiered dental benefits to all expansion adults in Iowa with incomes up to and including 133% of FPL through a Pre-Paid Ambulatory Health Plan (PAHP). This model was designed to promote and encourage healthy preventive care-seeking behaviors among members, and to ensure competitive reimbursement rates for providers and a reduction in administrative barriers. Core dental benefits included basic preventive and diagnostic, emergency, and stabilization services, implemented through the IWP and MPC alternative benefit plans (ABPs), while tiered "Enhanced," and "Enhanced Plus" earned benefits are provided to beneficiaries through the IWP and MPC demonstrations, based on beneficiary completion of periodic exams.

In addition to the above amendment, CMS has twice approved the State's request to extend its waiver of the non-emergency medical transportation (NEMT) benefit from both the IWP and MPC Demonstrations. When CMS originally approved this authority, on January 1, 2014, it was scheduled to sunset on December 31, 2014, with the possibility of extending based on an evaluation of the impact on access to care. Initial experience demonstrated that lack of NEMT services was not significantly impeding IHAWP member access to care. In fact, from January to June 2014, 39% of members received at least one service and over 14% of members completed

exams in the first eight months, as compared to an annualized figure of 6.5% for Medicaid overall. After reviewing initial data on the impact of the waiver on access, CMS approved an extension of the NEMT waiver through July 31, 2015. Thereafter, CMS and the State established criteria necessary for the State to continue the NEMT waiver beyond July 31, 2015. Specifically, the State agreed to compare survey responses of the IHAWP members to survey responses of persons receiving “traditional” Medicaid benefits through the State Plan. Iowa conducted the analysis and found that the survey responses of the two populations did not have statistically significant differences. In light of those results, CMS approved a second amendment through June 30, 2016, to allow more time to evaluate the impact of the NEMT waiver.

Most recently, on December 24, 2015, CMS approved the State’s request to amend the IWP Demonstration to allow persons with incomes at or below 133% of FPL who were previously eligible for the MPC Demonstration to be eligible for the IWP Demonstration. This change had no impact on enrollment, benefits, enrollee rights, cost sharing, evaluation design, sources of nonfederal share of funding, budget neutrality, or other comparable program elements, and the transition of existing MPC Demonstration members into the IWP Demonstration took place on January 1, 2016. On February 23, 2016, CMS approved the State’s request to implement a managed care delivery system for the IWP Demonstration, concurrent with the §1915(b) High Quality Healthcare Initiative Waiver, effective April 1, 2016.

Section III – Termination

Historically, MPC enrollees could elect to receive coverage through one of two QHPs—CoOpportunity Health and Coventry Health Care of Iowa. On September 18, 2014, CoOpportunity informed the State of their intent to withdraw from the MPC Demonstration. As a result of CoOpportunity’s withdrawal, the State arranged to move CoOpportunity’s members to the IWP Demonstration, effective December 1, 2014. In addition, in October of 2015, Coventry informed the State that they would no longer accept new MPC Demonstration members. For these reasons, the State made the decision to move all of Coventry’s MPC members and newly eligible IHAWP members to the IWP, effective January 1, 2016.

Based on the aforementioned information, and the continued lack of QHPs available to serve the MPC population, the State intends to terminate the §1115 MPC Demonstration Waiver, which is set to expire December 31, 2016. To ensure continued coverage for individuals with incomes of 101 through 133% of FPL, concurrent with this termination, Iowa is seeking an extension of the §1115 IWP Demonstration to continue serving Iowans for an additional three years pursuant to §1115(e) of the Social Security Act.

Section IV – Transition and Phase Out

As there are currently no individuals enrolled in the MPC Demonstration, and the State is not accepting new applicants, there is no transition and phase out plan necessary for this termination. There will be no member or provider impact associated with this termination, as all waiver enrollees were previously transitioned to the IWP Demonstration effective January 1, 2016. As such, there will be no required beneficiary notices or appeal proceedings related to this termination.

Section V – Public Notice

The following is intended to provide documentation of the State's compliance with the public notice process set forth in the MPC §1115 Demonstration Waiver Special Terms and Conditions for waiver termination. In its final submission to CMS, the State will include a report of the issues raised by the public during the comment period, and how the State considered said comments.

Public Notice Process

The public has an opportunity to comment on this termination waiver through a public notice and comment process. Public notice was provided on April 12, 2016. This notice and all waiver documents were posted on a dedicated Department of Human Services (DHS) website at <http://dhs.iowa.gov/ime/about/initiatives/iowa-health-and-wellness-plan/ihawp-fed-docs>. To reach all stakeholders, non-electronic copies were made available for review at DHS Field Offices. In addition, a summary notice was published in several newspapers with statewide circulation and DHS sent an email notice to nearly 3,000 stakeholders. All notices provided the option for individuals to submit written feedback to the State by email or by U.S. Postal Service mail. Comments are accepted electronically through a dedicated email address and in person. Finally, the State will hold two public hearings to offer an opportunity for the public to provide written or verbal comments about the termination waiver. Hearings will be held at on April 19, 2016, in Des Moines, Iowa (Executive Committee of the Iowa Medical Care Advisory Committee that operates in accordance with 42 CFR §431.12), and May 10, 2016 in Fort Dodge, Iowa (open forum for interested parties to learn about the contents of the termination application, and to comment on its contents). Hearings will be held in two geographically distinct areas of the State. The public comment period is scheduled to end May 12, 2016, at which time all comments will be cataloged, summarized, and organized.

Tribal Consultation Process

DHS initiated consultation with with Iowa's federally recognized Indian tribes, Indian health programs, and urban Indian health organizations on March 14, 2016. Consultation is being conducted in accordance with the process outlined in Iowa's Medicaid State Plan, and consists of an electronic notice directed to Indian Health Service/Tribal/Urban Indian Health (I/T/U) Tribal Leaders and Tribal Medical Directors identified by the Iowa Indian Health Services Liaison.